

**Harpswell Housing Report**  
**Sponsored by the Harpswell Housing Advisory Group**

**Prepared by Planning Decisions, Inc.**  
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## **Part 1. Introduction and Overview**

### **Introduction**

The purpose of this report is to present the facts of the cost and availability of housing in Harpswell, and to recommend goals and strategies to make housing more affordable.

The perceptions that Harpswell is changing, that housing is no longer affordable, and that as a result, the character of the community is changing as well, have been major concerns of the residents of Harpswell. The 45 citizens who attended the first Harpswell housing forum on October 29, 2002 reflected these concerns. In particular, participants expressed concern about housing affordability, housing availability, property taxes, natural resources, community diversity, and seasonal housing.

Are their concerns justified? What are the facts? And if there is a problem, what can Harpswell do about it? This report is designed to answer these questions.

The Harpswell Housing Report is part of a larger initiative, involving the Town of Brunswick, to address the housing issues in the region. The Harpswell Housing Advisory Group is a collection of Harpswell residents, which formed to oversee and guide the Harpswell housing study. Members of the Harpswell Housing Advisory Group include; Martha Meachan, Howard Nannen, Karen O'Connell, Peter Riesenber, Trudi Riesenber, Burr Taylor, and Noel Musson, Harpswell's Town Planner. This report will help further develop the affordable housing goals and policies for the updated Comprehensive Plan.

All of the information presented in the following report is based on the best available data that could be obtained at the time. The Harpswell Housing Advisory Group reserves the right to modify any data of this report in light of new information.

## **Major Findings about Housing in Harpswell**

### **Households in Harpswell are Increasing While Household Size is Decreasing**

1. From 1990 to 2000, the household population in Harpswell increased by 200 people, or 4.5% (from about 5,000 to 5,200). At the same time households increased by 300, or 14% (from about 2,050 to 2,350). In the United States, from 1990 to 2000, the household population increased by 13%, while households increased by 15%. (Figure 2, Figure 3, and associated text)
2. The reason that households increased faster than population is that household size – the average number of people in each household – continued its historic decline. The implication of this change is that it now takes more houses to shelter a given population. The average household size in Harpswell decreased from a size of 2.44 people in 1990 to 2.24 people in 2000. The decrease in average household size is a national trend. The average household size in the United States decreased from a size of 2.63 people in 1990 to 2.59 people by 2000. (Figure 3 and associated text)
3. From 1990 to 2000, one-person households in Harpswell increased by 40%, while larger households increased by 7%. Nationally, one-person households increased by 20% and larger households increased by 13% during the same time. (Text on page 13)

### **Harpswell's Population is Aging**

4. There are fewer younger households; households with the head of the household age 35 or younger have decreased by 38% from 489 households in 1990 to 302 households in 2000. Households with the head of the household age 55 to 64 have increased by 42% from 325 households in 1990 to 460 households in 2000. The aging of the baby boom generation is partly responsible for this trend, which is happening nationally. Other reasons are that younger first-time homebuyers are not buying homes in Harpswell and there has been an in-migration of households headed by the older population. (Figure 4 and associated text)

### **Housing Prices in Harpswell are Increasing**

5. The median sale price of a single-family home in Harpswell increased from \$167,000 in 1995 to \$287,500 by 2002, or 72%. As a result, Harpswell is one of the least affordable communities in which to live within the Bath-Brunswick Housing Market Area. (Figure 10, Figure 12, and associated text)
6. In the past 3 years, the median price a person from out-of-state paid for real estate in Harpswell was about 1.5 times as much (or about 50% more) as a Maine resident paid. (Figure 11 and associated text)

7. The proportion of real estate transfers to out-of-state buyers increased slightly in the past 3 years and is projected to increase in the future. (Figure 16 and associated text).

### **Housing Costs are a Burden for Many Households in Harpswell**

8. According to the Federal government, housing is considered affordable if a renter household is paying no more than 30% of their gross income, and an owner household is paying no more than 28% of their gross income on housing costs. Two in five Harpswell year-round renters are paying over a third of their household's income for rent. One in five Harpswell year-round homeowners is paying over a third of their household's income in owner costs (including property taxes). A higher proportion of Harpswell households are burdened with higher housing costs than is true for nearby towns and Maine as a whole. (Figure 12, 13, and associated text)
9. Most young first-time homebuyers in the Bath-Brunswick housing market area do not buy their first home in Harpswell because housing is less expensive in the surrounding towns. This is one of the factors contributing to the increase in households headed by people that are older in Harpswell. (Figure 15 and associated text)

### **Harpswell is Becoming More of a Year-Round Community**

10. According to the U.S. Census, in 1970 48% of Harpswell's housing units were being used as seasonal; by 2000 33% were seasonal. (Figure 20 and associated text)

### **No Rental Housing is Being Built**

11. No multi-unit housing structures have been built in Harpswell since the 1980s – a fact contributing to the shortage of affordable rental housing. (Figure 18 and associated text)

## **Implications and Next Steps**

The major findings imply that if the recent trends continue Harpswell will become a community of small households headed by an increasingly older population. With rising housing prices and no new multi-unit development, young individuals and families just starting out, even those with average incomes, will not be able to call Harpswell their home.

The Affordable Housing Sub-Committee working on updating the Harpswell Comprehensive Plan also recognizes the importance of planning for the future and the introduction to the draft goals and policies declares the following:

*“In an effort to retain the present demographic mix that makes Harpswell such a pleasant and desirable place in which to live and to keep the sound values of the existing community, we make the following recommendations. Affordable housing will benefit the entire community as it benefits residents already now living in the town, seniors for example, and young people starting out in life, who may wish to live here.”*

After reviewing the results of both Harpswell housing forums along with the results of this study, the Harpswell Housing Advisory Group proposes a multi pronged approach to the addressing the housing issues of the community, which includes the following goals and course of action to be taken. These goals and actions are the first steps in ensuring a future Harpswell community that is home to a diverse population of individuals and families.

### **Proposed Harpswell Housing Goals**

- A. Engage the community in discussion about the housing issues for Harpswell.

*All residents will be presented with the opportunity to give input on the direction the community is taking with regard to housing.*

- B. Provide opportunities for a range of environmentally suitable housing types to maintain Harpswell's diversity of people.

*Working families and retirees, young and old, families and single people, all require different kinds of housing – rental and owner, single and multi-family, at a variety of price ranges.*

- C. Encourage housing choices to be available for people who work in Harpswell to be able to live in Harpswell.

*Teachers, fishermen, Town employees, business owners and employees should be able to find housing they can afford in Harpswell.*

- D. Provide opportunities for young people to live in Harpswell.

*Affordable rental housing and affordable starter homes will enable young people to live in Harpswell.*

- E. Make housing choices available for elderly who want to continue to live in Harpswell.

*The elderly need supports for those who want to stay in their homes, as well as affordable housing options for those who need different arrangements within Harpswell.*

- F. Work with neighboring communities to address regional housing issues.

*Small communities can share knowledge and resources to address broader issues such as homelessness, safety, affordability, and sprawl.*

### **Proposed Harpswell Housing Strategy**

The proposed housing goals described above will take a partnership to achieve. That partnership must involve:

- a developer, profit or nonprofit, with the skills and willingness to create affordable housing that has a lower profit rate than other housing
- neighbors and residents who are supportive of such projects going forward
- town committees and boards supportive of changing regulations and ordinances
- supportive town officials and selectmen to authorize grant applications for such projects
- community members who are willing to sell or donate land for such purposes
- a bank or banks willing to finance such projects
- philanthropic organizations and government agencies who are willing to provide subsidy money to make the project financially feasible
- and a nonprofit agency that is willing to manage housing or provide services to residents as needed.

In today's world, it is not possible to successfully develop affordable housing without a partnership of this sort. In order to create this partnership, this plan proposes that Harpswell set up a standing Housing Committee. The Committee's function is not to be

the developer, not to build the housing - but to pull together the skills and resources needed for such purposes.

The following are a series of ideas for achieving the proposed Harpswell housing goals.

1. Seek community consensus about the housing issues for Harpswell and for the proposed housing goals.
  - (A) Bring information to the people by “hitting the road”.
  - (B) Have targeted presentations and community forums.
  - (C) Make an annual presentation to Selectmen.
  - (D) Publish an annual progress report in the Town Report.
2. Incorporate the proposed housing goals into the update of the Comprehensive Plan.
3. The Town of Harpswell will create a standing Housing Committee and charge it with:
  - (A) Monitoring and promoting the implementation of the entire housing strategy set forth in this plan.
  - (B) Providing information to the community about housing choices and funding options.
  - (C) Working with the Selectmen to help set the Town goals and policy in regard to housing.
  - (D) Setting numerical goals for affordable rental housing, affordable owner housing, and senior housing units for Harpswell over the next 10 years by conducting a demand analysis study.
  - (E) Work with neighboring communities to develop regional solutions to problems such as homelessness.
  - (F) Facilitate the development of affordable rental housing, affordable owner housing and senior housing units in Harpswell.
4. Direct the Housing Committee to work with the community and Town Committees and Boards to:
  - (A) Identify general areas, including town-owned land, in the community for housing.
  - (B) Identify needed changes in Town regulations, such as lot size.
  - (C) Recommend additional incentives in the Town regulations for affordable housing, such as requirements that 10% of the units in a new subdivision be affordable to moderate income households (80 % of area median income), or bonus density provisions for developers who can meet affordable housing needs, given that water supply, sewage disposal, and other environmental needs can be met.
  - (D) Identify profit and/or nonprofit organizations to partner with.
  - (E) Create incentives to retain affordable housing.
  - (F) Identify opportunities to use tax acquired property for housing.
5. Recommend the Town regulation regarding “in-law” apartments be reviewed and expanded so that the construction of an accessory apartment is allowed on any single



family house so long as water supply, sewage disposal, and other environmental needs can be met.

6. Promote utilization of the State's property tax refund program and rent refund program through outreach and educational workshops. Eligibility is based on income and taxes or rent paid in the previous calendar year. Also, promote changes in State law to allow housing Tax Increment Financing.
7. Provide information about property tax relief to low-income elderly by means of "reverse mortgages" or a revolving fund. A reverse mortgage is, in essence, a loan made to the homeowner by a bank that is repaid by the equity of the house at the time of sale.

Here are two examples of how the Housing Committee could facilitate the development of affordable housing:

**Example A. Develop 15 affordable homes on scattered sites for people who are working in Harpswell.**

(Note: The process would be the same whether homes are on scattered sites or in a clustered development)

1. Housing Committee gets approval for the concept from the Selectmen and from appropriate Town committees.
2. The Housing Committee interviews possible nonprofit developers of affordable homes, and chooses the most promising one.
3. The Housing Committee works with Town officials, property owners, and benefactors to identify potentially good sites in the community.
4. Housing Committee undertakes a community education program to tell the public what is going on and to solicit support.
5. The developer gets a loan from the Genesis Fund to get options on the land.
6. The developer and local bank obtain an Affordable Housing Program grant from the Federal Home Loan Bank Board of Boston of \$250,000 to write down land costs in the project.
7. The Planning Board in conjunction with other pertinent committees will identify any regulations that need to be changed to make affordable single-family homes easier to develop. Develop proposed changes to any regulations to be voted on at the Town Meeting.
8. The developer gets a commitment from the Maine State Housing Authority to provide first-time homebuyer financing for eligible buyers.

**Example B. Develop a 20-unit affordable apartment complex.**

1. The Housing Committee gets approval for the concept from the Selectmen and from appropriate Town committees.
2. The Housing Committee interviews possible nonprofit developers of affordable apartments, and chooses the most promising one.
3. The Housing Committee works with Town officials to identify several good sites in the community and makes inquiries of owners.
4. The Housing Committee and developer will work with the Planning Board to identify any regulations that need to be changed and develop proposed changes to be voted on at the Town Meeting.
5. The Housing Committee and developer get a \$2,000 grant from Coastal Enterprises Inc. to help write a Community Development Block Grant application.
6. The Town Selectmen apply to the Block Grant program and get \$150,000 to assist the nonprofit developer to purchase the land.
7. The developer works with the Rural Development agency, the Maine Housing Investment Fund, the Maine State Housing Authority, and the Federal Home Loan Bank Board, to identify the most promising grant and loan funds available to write down rents.

The programs change from year to year, the availability of funds within the programs change from month to month, so the appropriate subsidy mechanisms cannot be identified in advance. Appendix A includes a chart describing various funding resources that are relevant to the spring of 2003. What can be done is to pull together the affordable housing partnership with the collective skills to make the whole effort possible.

## **Implementation**

Here is a draft timeline:

<b>June 2003</b>	The Harpswell Housing Advisory Group and Town Planner will present the Harpswell Housing Report to the Comprehensive Plan Committee and ask that its findings be integrated into the updated Comprehensive Plan.
<b>June 2003</b>	The Harpswell Housing Advisory group and the Town Planner will present the findings of the Housing Report to the Board of Selectmen and ask them to support the proposed goals.
<b>September 2003</b>	The Harpswell Housing Advisory group ask the Selectmen to appoint a standing Housing Committee.
<b>October 2003</b>	The Housing Committee will conduct a demand analysis study.
<b>Ongoing 2003</b>	The Comprehensive Planning Committee, the Housing Committee, and other pertinent committees will identify locations in the community that seem appropriate for growth and areas that are not.
<b>Fall 2003</b>	The Housing Committee will identify profit or nonprofit housing development corporations with which to partner.
<b>Fall 2003</b>	The Housing Committee in conjunction with other pertinent committees will identify changes needed to be made in Town regulations and develop proposed amendments.
<b>Spring 2004</b>	The Comprehensive Plan and the Housing Goals will be presented for adoption at the Town Meeting.
<b>Spring 2004</b>	The Land Use Committee will present the proposed amendments at the Town Meeting.
<b>Spring 2004</b>	The Housing Committee will present a report in the annual Town Report and begin to set a new agenda.
<b>Ongoing</b>	The Housing Committee will monitor and promote the housing strategy.

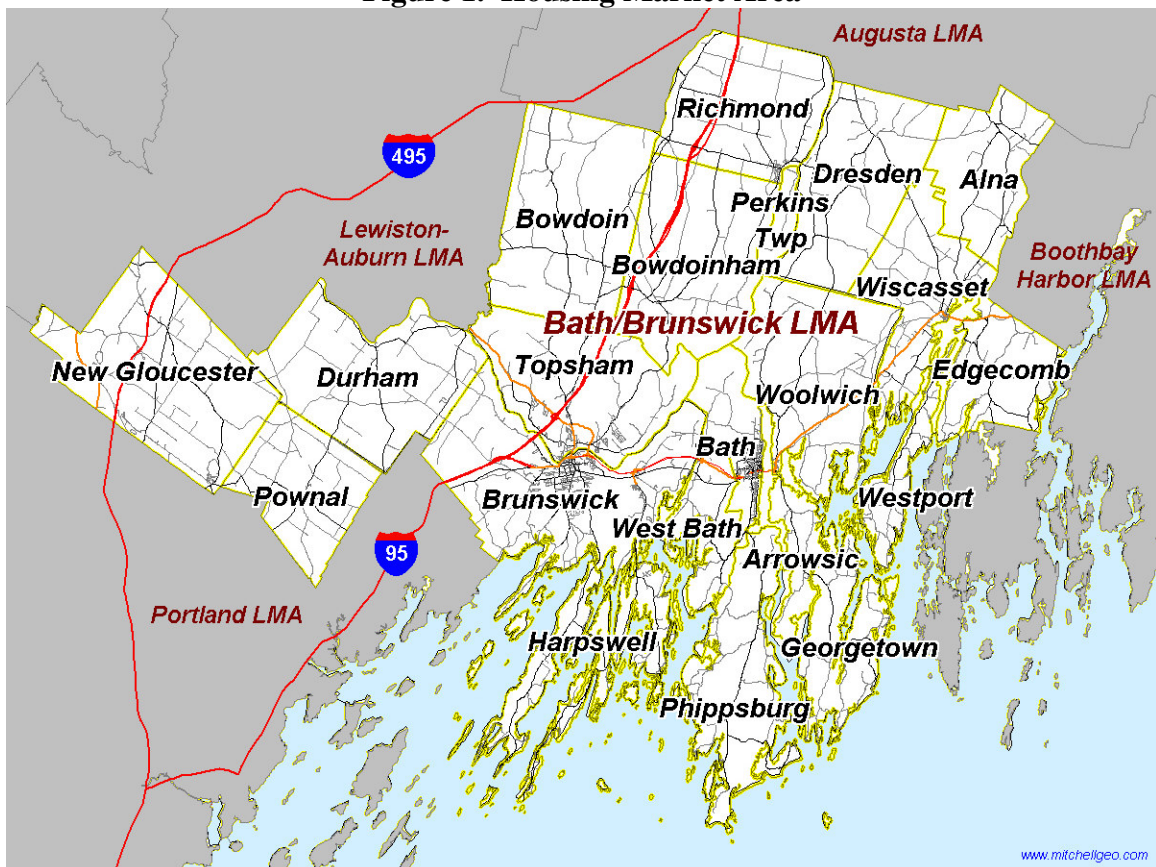
## Part 2. Demographic and Household Analysis

### The Housing Market Area

A housing market is a region within which a common group of people tend to work and live. Another way of thinking about it is that a housing market is the region within which a potential homebuyer might conduct a housing search. Based on commuting patterns from 1990, Harpswell is considered by the Maine State Housing Authority to be part of the Bath-Brunswick housing market area, along with 20 other cities and towns, including: Brunswick, Durham, New Gloucester, Pownal, Dresden, Arrowsic, Bath, Bowdoin, Bowdoinham, Georgetown, Perkins Township, Phippsburgh, Topsham, West Bath, Woolwich, Richmond, Alna, Edgecomb, Wiscasset, and Westport Island (Figure 1).

This does not mean that Harpswell is the same as these other towns, but simply that it has a unique role within this larger market. That role will become clearer in the pages that follow.

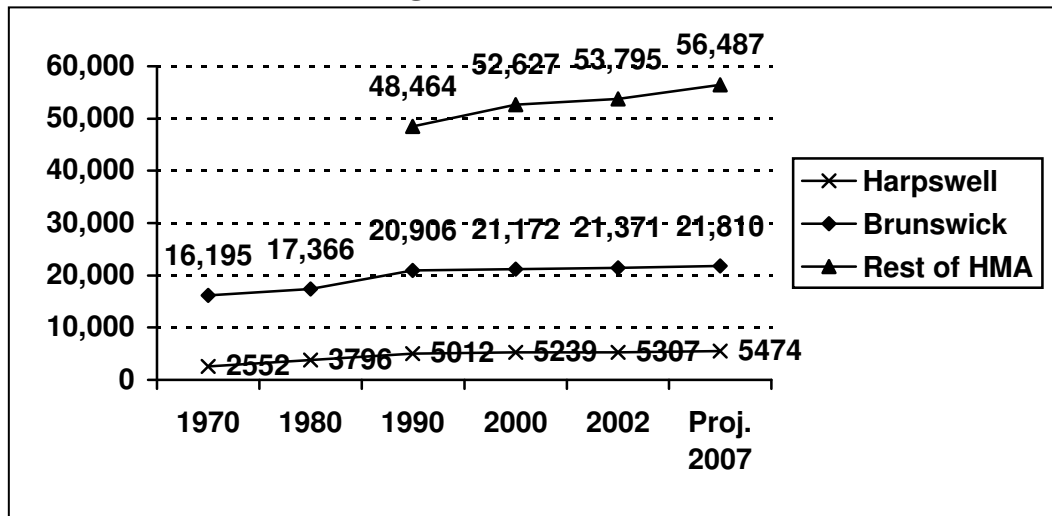
**Figure 1. Housing Market Area**



## Population and Household Analysis

Harpswell doubled in population from 1970 to 1990. This was a period when the Town began to shift from being a rural fishing village with seasonal cottages to a suburban community with year-round workers and retirees. In the 1990s, Harpswell grew more slowly, reflecting the general slowing down of growth in the surrounding housing market area.

**Figure 2. Population Change for Harpswell, Brunswick, and Remainder of the Housing Market Area, 1970-2007**



Source: 1970, 1980, 1990, 2000 U.S. Census, and Claritas, Inc.

While population growth slowed in the last decade, household growth continued to be strong. Harpswell gained 289 households during the 1990s, down from the 500 per decade of the prior 20 years, but still significant given the size of the community. One-person households in Harpswell increased by 181 households from 458 households in 1990 to 639 households by 2000, a 40% increase. Larger households in Harpswell increased by 108 households from 1,593 households in 1990 to 1,701 households by 2000, a 7% increase. Sixty percent of the increase in larger households was due to the increase in single-parent family households.

As a comparison, household population for the United States increased by 13%, while households increased by 15% from 1990 to 2000. Nationally, one-person households increased by 20% and larger households increased by 13% during the same time period.

Smaller household size means that it takes more houses to serve a given population. If average household size had stayed the same in Harpswell for the last 30 years - if it were still 3.05 people per household instead of 2.24 - there could be 600 fewer housing units in the community today without any overcrowding.

**Figure 3. Population and Household Change in Harpswell, 1970-2007**

	1970	1980	1990	2000	Change 1970-2000		Proj. 2007
					#	%	
Population							
In group quarters	0	0	0	4	4		4
In households	2,552	3,796	5,012	5,235	2,687	105%	5,470
Total households	838	1,490	2,051	2,340	1,502	179%	2,589
Ave. Household size	3.05	2.55	2.44	2.24	-0.81	-26%	2.11

Source: 1970, 1980, 1990, & 2000 U.S. Census; Claritas, Inc. projections

Households are smaller everywhere today as a result of changes in family patterns – more people staying single all of their lives, more divorces, more single parents, more elderly living apart from their families. In the United States the average household size decreased from 2.63 people in 1990 to 2.59 people by 2000.

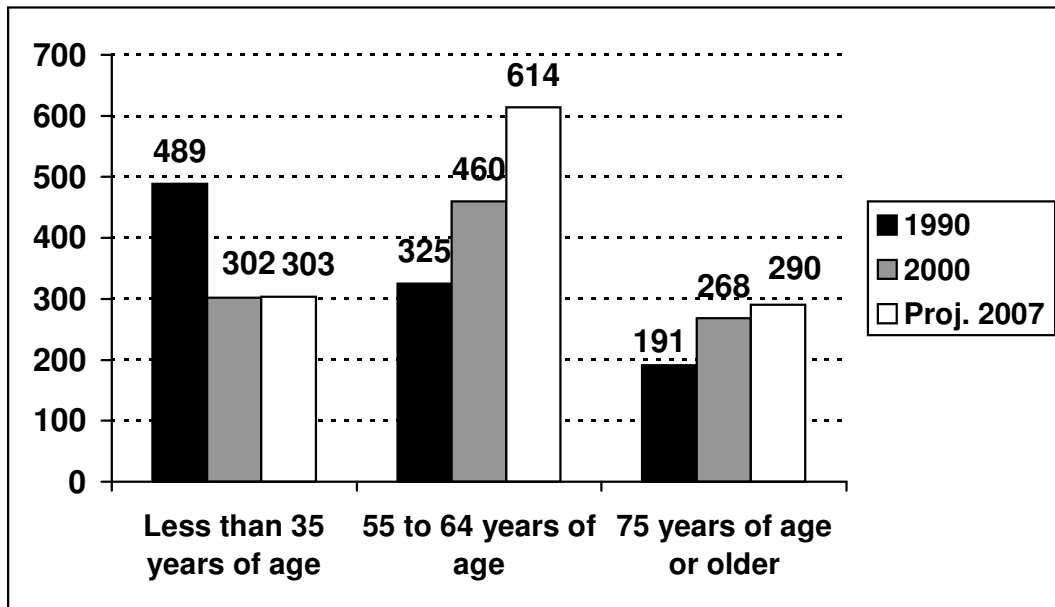
The average household size in Brunswick in 1990 was 2.47, decreased to 2.34 by 2000, and is projected to decrease to 2.29 by 2007. As a whole, the remainder of towns in the housing market area have also seen a decrease in average household size from 2.67 in 1990 to 2.51 in 2000. By 2007, the average household size in the remainder of towns in the housing market area is projected to be 2.42, which is comparable to the average household size in Harpswell in 1990. The decrease in household size in the housing market area is similar to the decrease in the United States over the past decade.

In Harpswell the change is more dramatic because of the simultaneous aging of the population. The median age of Harpswell residents increased from 38 years old in 1990 to 45 years old in 2000 – a full 8 years older than the median for Cumberland County (37) in 2000. Older people have fewer children living at home, and thus smaller households. The population under 10 years old dropped from 628 in 1990 to 505 in 2000, a 20% decrease (Figure 4).

Different household types have different housing needs. Younger households tend to be more interested in apartments and starter homes. Middle-aged households are more interested in larger single-family homes. Older households are more interested in condominiums and smaller one-story homes.

The figure below shows the change from 1990 to 2000 with regard to households headed by different age groups. Households with young heads of households (under age 35) declined 38% - while households headed by those ages 55 to 64 have increased by 42%. These general trends are experienced everywhere, and are a result of the aging of the baby boom generation. However in Harpswell the trends are more pronounced, due to the in-migration of older households into the community.

**Figure 4. Household Change for Specific Age Groups in Harpswell, 1990-2007**



Source: 1990 & 2000 U.S. Census, and Claritas, Inc.

The change in migration and households can be seen by a more careful study of Harpswell's households and total population. Figure 5 below shows the distribution of households by 10-year cohorts in 1990 and 2000. It shows that while there were 410 households with heads aged 25 to 34 in 1990, 446 households were in this same age cohort (by now 35-44) in 2000. Even though the number of households grew the population actually decreased from 837 to 813 during the same time period (Figure 6). Resulting in a decrease of 24 people, but an increase of 36 households.

On the other hand, Harpswell gained 98 households and 110 people by net in-migration in the 45-54 age cohort (age 35-44 in 1990). Harpswell also gained 107 households and 156 people by net in-migration in the 55-64 age cohort (age 45-54 in 1990). Harpswell is attracting the leading edge of the baby boom generation to move here. This trend of aging has profound implications for Harpswell not just in housing, but in schools and social services and community life as well.

**Figure 5. Households by Age of Householder in Harpswell, 1990-2007**

<b>Age</b>	<b>1990</b>		<b>2000</b>		<b>Proj. 2007</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
15-24	79	3.9%	67	2.9%	74	2.9%
25-34	410	20.0%	235	10.0%	229	8.8%
35-44	394	19.2%	446	19.1%	413	16.0%
45-54	353	17.2%	492	21.0%	578	22.3%
55-64	325	15.8%	460	19.7%	614	23.7%
65-74	299	14.6%	372	15.9%	391	15.1%
75 & over	191	9.3%	268	11.5%	290	11.2%
Total	2,051	100.0%	2,340	100.0%	2,589	100.0%

Source: 1990, 2000 U.S. Census, and Claritas, Inc.

**Figure 6. Total Population by Age in Harpswell, 1990-2007**

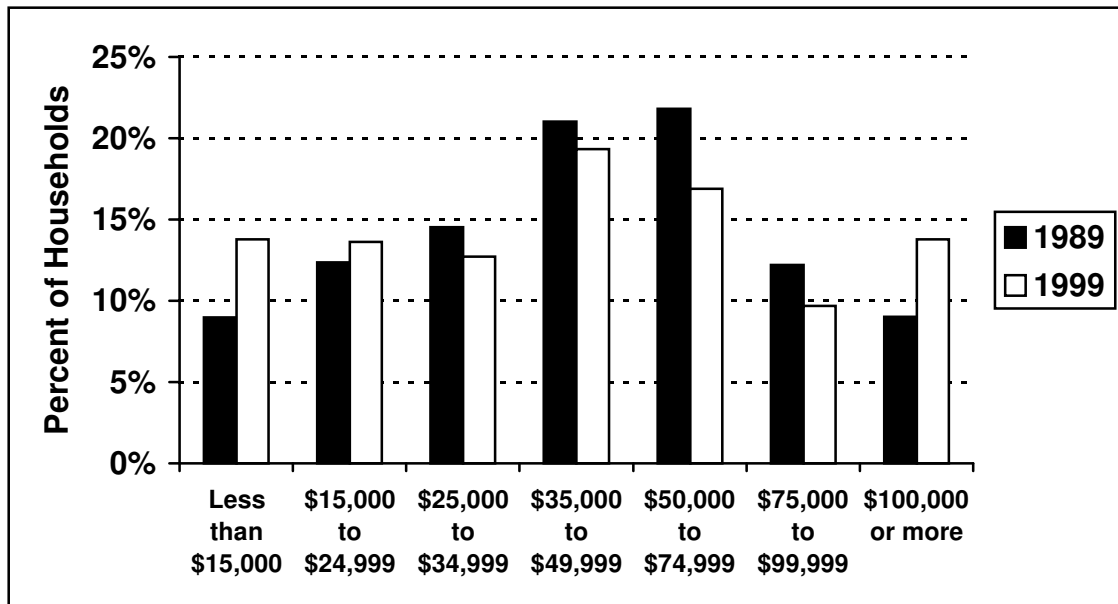
<b>Age</b>	<b>1990</b>		<b>2000</b>		<b>Proj. 2007</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Under 4	323	6.4%	223	4.3%	218	4.0%
5-9	305	6.1%	282	5.4%	265	4.8%
10-14	267	5.3%	324	6.2%	321	5.9%
15-19	255	5.1%	266	5.1%	282	5.2%
20-24	283	5.6%	185	3.5%	200	3.7%
25-34	837	16.7%	502	9.6%	470	8.6%
35-44	763	15.2%	813	15.5%	721	13.2%
45-54	630	12.6%	873	16.7%	984	18.0%
55-59	296	5.9%	439	8.4%	563	10.3%
60-64	270	5.4%	347	6.6%	444	8.1%
65-74	494	9.9%	589	11.2%	595	10.9%
75-84	235	4.7%	312	6.0%	313	5.7%
85 plus	54	1.1%	84	1.6%	98	1.8%
Total	5,012	100.0%	5,239	100.0%	5,474	100.0%

Source: 1990, 2000 U.S. Census, and Claritas, Inc.

In addition, incomes are spreading out. From 1989 to 1999, there was a major gain in households with incomes of \$100,000 or over and with households with incomes under \$15,000. Households with incomes under \$50,000 comprise the majority of the households with 57% in 1989 and 60% in 1999. But as will be seen later on, housing prices and real estate values are geared to the growing segment of higher-income households.



**Figure 7. Distribution of Household Income in Harpswell, Adjusted to 1999 Dollars**



Source: 1990 & 2000 U.S. Census

With this general background we can now turn to what is happening with housing.

## Part 3. Housing Analysis

### What is “affordable”?

A home or apartment is considered affordable if an individual or family earns sufficient income to pay monthly housing costs and still have enough money left over to pay for other necessities. The rule of thumb adopted by the Federal government is that an owner household should spend no more than 28% of its gross income on housing costs (i.e. mortgage, insurance, and taxes). A renter household should spend no more than 30% of its gross income on housing costs (i.e. rent and utilities). Below is a range of affordable home prices and rents for various household incomes.

**Figure 8. Home Prices by Household Income**

Household Income	Affordable Home Price	
	With 0% down	With 5% down
\$30,000	\$67,600	\$71,200
\$40,000	\$102,700	\$108,100
\$50,000	\$137,700	\$145,000
\$60,000	\$173,000	\$182,000
\$70,000	\$207,900	\$218,800

Source: Compiled by Planning Decisions, Inc. Assumes a 7% interest rate, 30 year mortgage, \$250 for taxes, insurance, and PMI per month

**Figure 9. Rent by Household Income**

Household Income	Affordable Rent
\$15,000	\$375
\$20,000	\$500
\$25,000	\$625
\$30,000	\$750
\$35,000	\$875
\$40,000	\$1,000

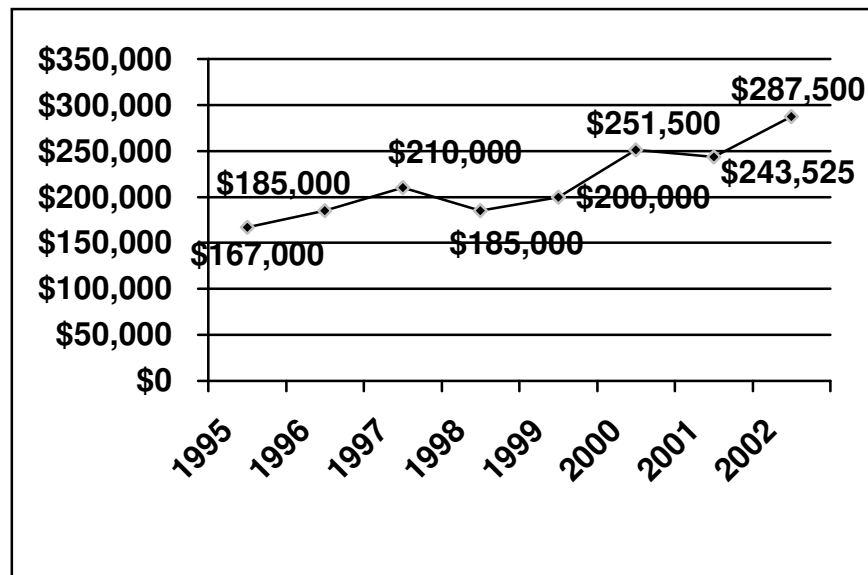
Source: Compiled by Planning Decisions, Inc.  
Utilities are considered included in total rent

## Housing Affordability

According to the 2000 U.S. Census, 4 out of 5 year-round occupied housing units in Harpswell are owner occupied. This is a high proportion for Maine generally, and is an increase from 1970 when 3 out of 5 year-round occupied housing units in Harpswell were owner occupied.

Data from the Statewide Multiple Listing Service shows that the sale price of all homes (single-family, condominiums, and mobile homes) in Harpswell have increased in the past seven years. The median sale price for the 39 homes sold in Harpswell in 1995 was \$167,000. By 2002 the median sale price for the 76 homes sold in Harpswell had increased to \$287,500. This is an increase of 72% in seven years.

**Figure 10. Median Sale Price of Homes in Harpswell, 1995-2002**

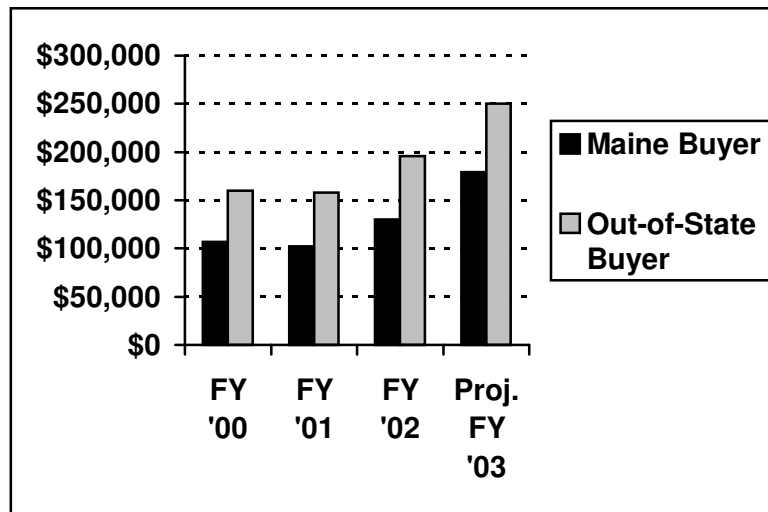


Source: Maine State Housing Authority and Statewide Multiple Listing Service

The median price of a home sold in Harpswell in 2001, according to the Maine State Housing Authority, was \$243,525, which is double the median price of \$118,000 for a home in Maine and almost double the median price of \$129,000 for a home in the Bath-Brunswick housing market area for the same year.

A study of the Harpswell real estate tax transfer records from fiscal year 2000 (July 1999 to June 2000) to the present also shows an increase in the price of homes. Land transfers are included in the information therefore the calculated median prices may be slightly lower due to the inclusion of all transfers. The median price a person from out-of-state is paying for real estate in Harpswell is about 1.5 times as much (or about 50% more) as a Maine resident is paying.

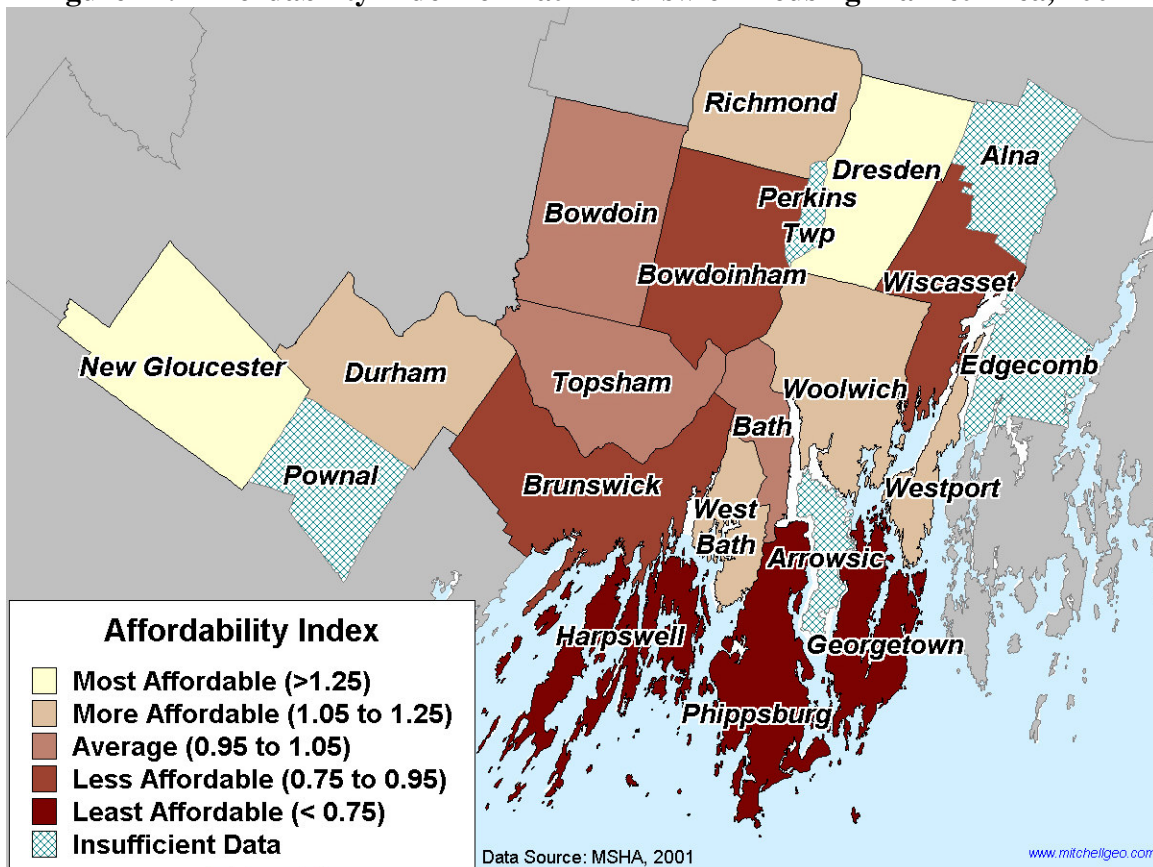
**Figure 11. Median Sale Price of Real Estate Tax Transfers in Harpswell**



Source: Data compiled by Harpswell Planning Department

When median incomes are compared to median home costs, an affordability index can be constructed. Harpswell's affordability index in 2001, as calculated by the Maine State Housing Authority, was 0.70. This means that the typical family can afford about 70% of the price of the typical house in Harpswell. In Maine as a whole the affordability index is 0.95. In other words, the typical Maine family can afford 95% of the typical home price. As can be seen in the map below, Harpswell is one of the three least affordable towns in the housing market area when it comes to homeownership.

**Figure 12. Affordability Index for Bath-Brunswick Housing Market Area, 2001**

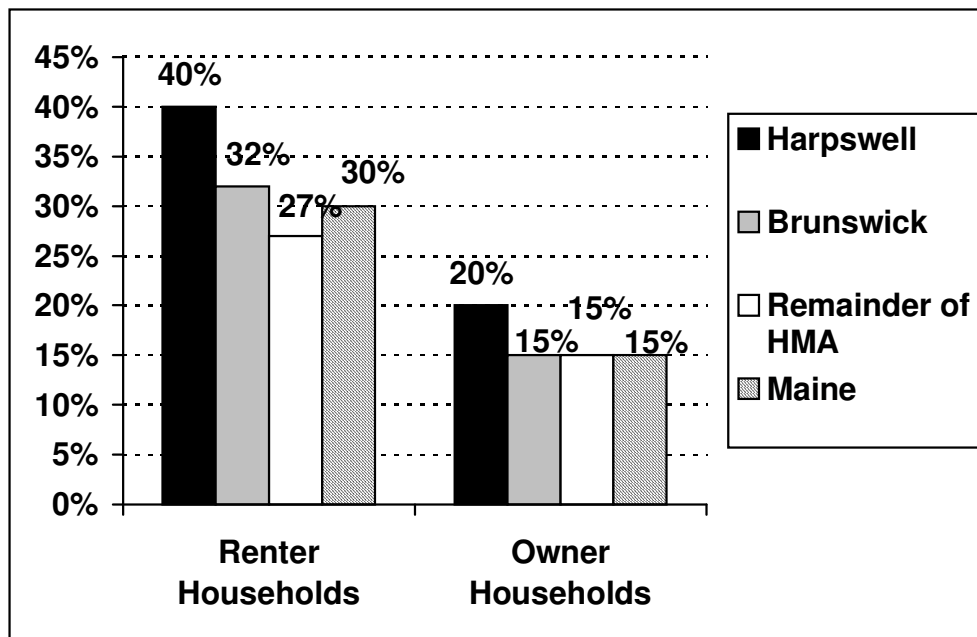


For the 1 in 5 year-round Harpswell households who are renters, costs are rising as well. In 1997, the average rent for a two-bedroom apartment in Harpswell was \$618, according to the Maine State Housing Authority. By 2001, the average rent for a two-bedroom apartment had increased to \$650. The Maine State Housing Authority estimates that in 2001 there were about 153 renter households in Harpswell with very low incomes (50% of the area median income) who were paying more than they could afford for rent.

Similarly, the 2000 U.S. Census shows that a higher proportion of Harpswell households are burdened with high rents and homeowner costs than is true for nearby towns and Maine as a whole. The figure below shows that 40% of Harpswell year-round renters paid over a third of their incomes for rent in 1999, and 20% of Harpswell year-round owners paid the same. The federal government considers housing costs to be “affordable” if a renter is paying no more than 30% of their gross income and a homeowner is paying no more than 28% of their gross income on housing costs.

In 1999, there were roughly 269 year-round owner households and 166 year-round renter households in which the cost of housing was more than what is considered affordable.

**Figure 13. Percent of Households Paying 35% or More of Their Income on Gross Monthly Rent or Monthly Owner Costs, 1999**



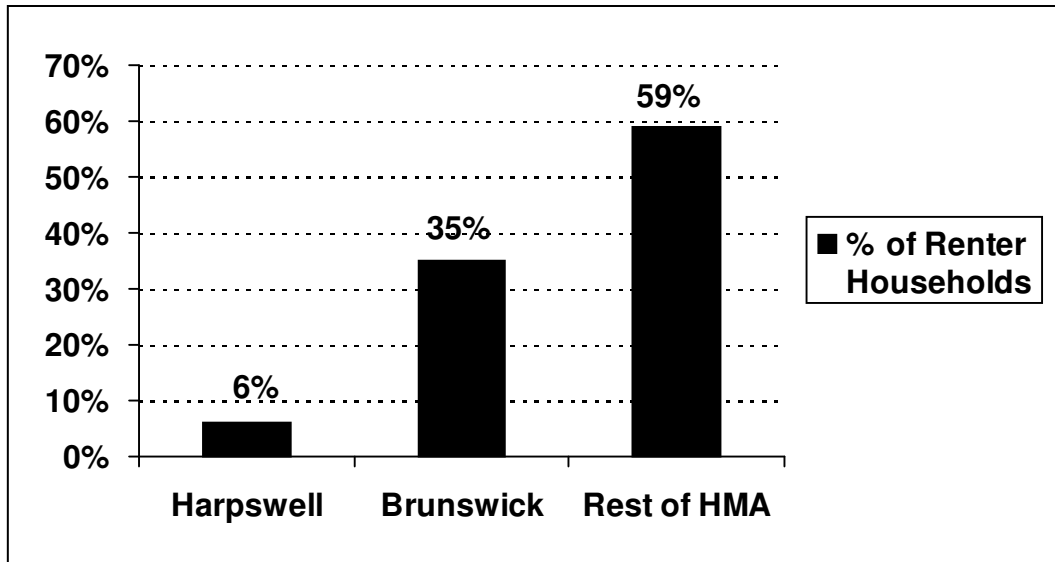
Source: 2000 U.S. Census

### **Housing Availability**

The 2000 U.S. Census shows that 50% of housing units in Harpswell are year-round owner occupied, 33% are seasonally occupied, 13% are year-round renter occupied, and at that time 4% were vacant. In 1990, the vacancy rate was 6% for all housing units in Harpswell. The owner vacancy rate decreased from 1.9% in 1990 to 0.8% in 2000. The renter vacancy rate decreased from 8.5% in 1990 to 6.2% in 2000.

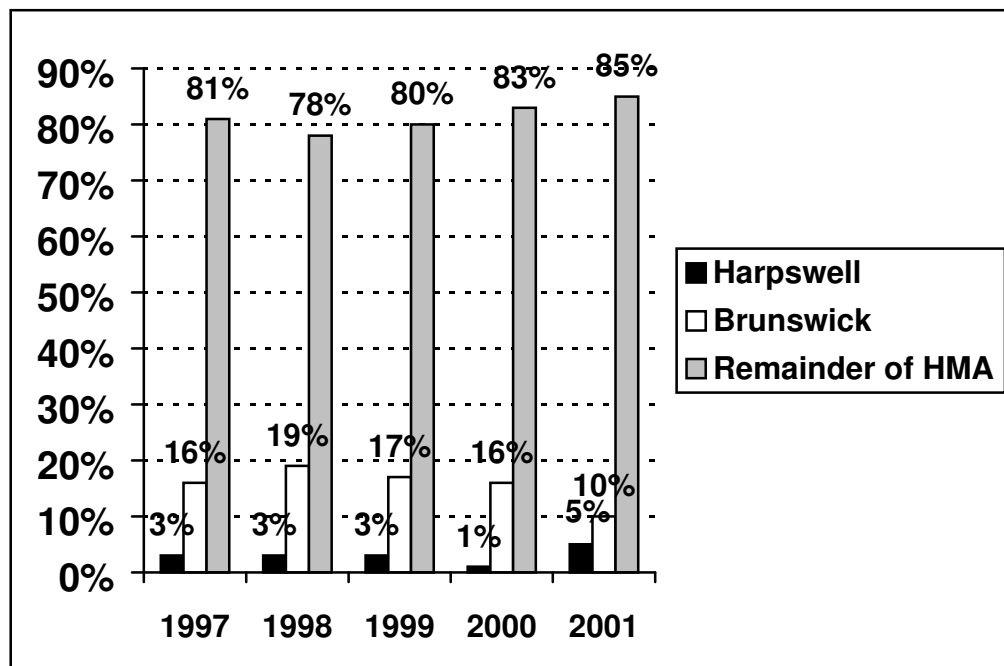
According to the 2000 U.S. Census, Harpswell has 6% of the renter households in the housing market area. Fifty-six percent of the year-round renter householders in Harpswell were younger than 45 years of age and candidates as first-time homebuyers. During the same year, only 1% of the first-time homebuyers in the housing market area purchased their first home in Harpswell. Potentially, half of the renter households in Harpswell could be homeowners, but these renter households may be looking outside of Harpswell for their first home.

**Figure 14. Distribution of Year-Round Renter Households within the Housing Market Area, 2000**



Source: 2000 U.S. Census

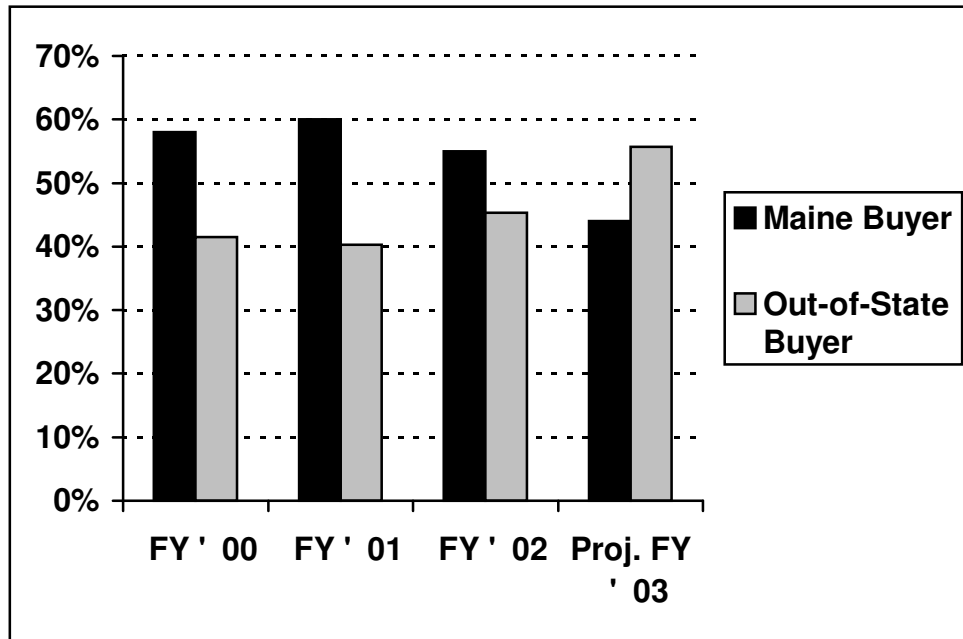
**Figure 15. Distribution of Buyers with the Maine State Housing Authority First-Time Homeowners Program within the Housing Market Area, 1997-2001**



Source: Maine State Housing Authority

A study of the Harpswell real estate tax transfer records from fiscal year 2000 (July 1999 to June 2000) to the present indicates that the proportion of real estate transfers to out-of-state buyers has increased slightly in the past three years and is projected to increase in the future.

**Figure 16. State of Origin of the Percent of Buyers for Real Estate in Harpswell**

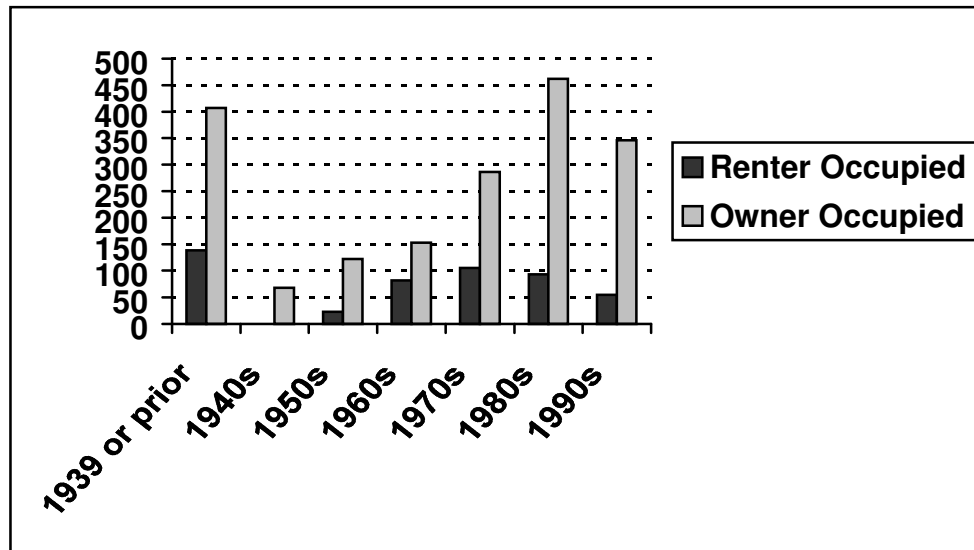


Source: Data Compiled by Harpswell Planning Department

In response to this demand, there was a net increase of 369 single-family homes built in Harpswell from 1990 to 2000. At the same time, there was a net decrease of 64 1-unit attached homes, 10 multi-units, and 76 other housing structures. There was also a net increase of 65 mobile homes. Harpswell experienced an 8% net increase in the total number of housing units from 1990 to 2000, the majority being single-family homes.



**Figure 17. Age of Year-Round Renter and Owner Occupied Housing Units in Harpswell**



Source: 2000 U.S. Census

As the figure below shows 49% of the year-round renter occupied multi-units were built in 1939 or earlier and 51% were built in the 1970's and 1980's. No multi-unit structures were constructed in the 1990's. An additional fifty-nine mobile homes were occupied by year-round renters in 2000 compared to 1990, but none of these were manufactured in the 1990's. With the exception of multi-units, most of the housing stock that is year-round renter occupied was built after 1960.

**Figure 18. Age and Type of Housing for Year-Round Renter Occupied Housing in Harpswell**

	1939 or prior	1940- 1949	1950- 1959	1960- 1969	1970- 1979	1980- 1989	1990- 2000	Total 2000	Total 1990
1 unit, detached or attached	89	0	13	75	62	37	55	331	344
multi-units in structure	49	0	0	0	15	36	0	100	113
mobile home	0	0	10	7	28	20	0	65	6
other (boat, RV, van)	0	0	0	0	0	0	0	0	19
Total	138	0	23	82	105	93	55	496	482
% of total renter occupied in 2000	28%	0%	5%	17%	21%	19%	11%	100%	

Source: 2000 U.S. Census

A majority of the owner occupied housing units in Harpswell is relatively new, 60% were built in 1970 and after. Fifty-four percent of the year-round owner occupied mobile homes were built in the 1980's and 1990's. Construction of year-round owner occupied

housing units peaked in the 1980's with 462 new homes being built, while only 346 new year-round owner occupied homes were built in the 1990's.

**Figure 19. Age and Type of Housing for Year-Round Owner Occupied Housing in Harpswell**

	<b>1939 or prior</b>	<b>1940- 1949</b>	<b>1950- 1959</b>	<b>1960- 1969</b>	<b>1970- 1979</b>	<b>1980- 1989</b>	<b>1990- 2000</b>	<b>Total 2000</b>	<b>Total 1990</b>
1 unit, detached or attached	407	68	115	153	222	392	311	1,668	1,452
multi-units in structure	0	0	0	0	0	21	0	21	11
mobile home	0	0	7	0	64	49	35	155	106
other (boat, RV, van)	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>407</b>	<b>68</b>	<b>122</b>	<b>153</b>	<b>286</b>	<b>462</b>	<b>346</b>	<b>1,844</b>	<b>1,569</b>
% of total owner occupied in 2000	22%	4%	7%	8%	16%	25%	19%	100%	

Source: 2000 U.S. Census

## Seasonal Housing

At the community forum on October 29<sup>th</sup> the issue of seasonal homes in Harpswell was raised. There was concern that the increasing number of seasonal homes would change the character of Harpswell. There was also concern that year-round homes were being converted into seasonal homes resulting in a loss of year-round housing.

According to the U.S. Census, the number of seasonal housing units in Harpswell has not changed considerably from 1970 to 2000. The number of seasonal housing units only increased by 21 units, or 2% from 1970 to 2000. On the other hand, the composition of the housing units in Harpswell has changed from 1970 to 2000. The table below shows that in 1970 48% of the housing units were seasonal; by 2000 this decreased to 33%.

From the U.S. Census data we are not able to determine what has been happening in the past two years, but the available data does not indicate that the addition of seasonal homes has an effect on the available number of year-round homes. From 1990 to 2000 there was an increase of 31 seasonal households in Harpswell, during this same time there was an increase of 401 year-round occupied housing units that were built. Even if all 31 new seasonal households were the result of converting year-round housing into seasonal this is a small number of lost year-round housing compared to the gain in new year-round housing.

**Figure 20. Seasonal Housing in Harpswell**

	1970	1980	1990	2000
# of Seasonal Housing Units	1,192	1,249	1,182	1,213
% of Total Housing Units	48%	42%	34%	33%

Source: 1970, 1980, 1990, & 2000 U.S. Census

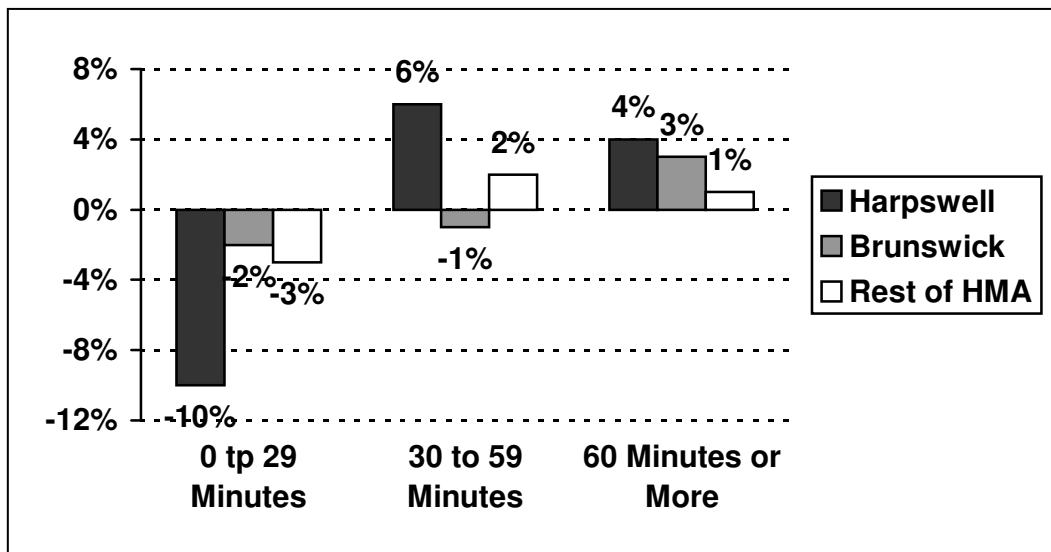
## Sprawl

“Sprawl” is an issue that has received increased attention in recent years in Maine. Sprawl refers to the tendency of people to live further apart, on larger lots, and further from their jobs, than ever before. The concern about sprawl is that it leads to a reduction in open space, an increase in the cost of housing, increased energy consumption and air pollution, and a decline in the sense of community – as people have less time and opportunity to meet their neighbors.

A thorough examination of this issue would require looking at land use changes over time in Harpswell. While this is beyond the scope of this study, a brief look at U. S. Census figures is suggestive. It shows that fewer Harpswell households travel less than 30 minutes to their job, and that more are traveling over 30 minutes and even more than an hour.

The converse of this is that many fishing families from Harpswell have had to move inland to find affordable housing, and that they are traveling further to reach their traditional boating tie-ups in Harpswell.

**Figure 21. Percentage Change in Commuting Time within the Housing Market Area, 1990 to 2000**



Source: 1990 & 2000 U.S. Census

The 2000 U.S. Census data for place of residence and place of work is not available at this time. Below are the commuting patterns from the 1990 U.S. Census. In 1990, the majority (73.7%) of Harpswell's workforce was employed outside of Harpswell, with 50.7% traveling to the Brunswick-Bath area. At the same time, a total of 16.5% of the people employed in Harpswell traveled from surrounding towns to work in Harpswell. The 1990 commuting patterns can be compared to the 2000 commuting patterns later in the spring of 2003 when the data is available.

**Figure 22. Where Harpswell Residents are Commuting To Work, 1990**

Place of Residence	Place of Work	Number of Commuters	% of Total
Harpswell	Harpswell	628	26.3%
Harpswell	Brunswick-Bath Area	1,213	50.7%
Harpswell	Lewiston-Auburn Area	99	4.1%
Harpswell	Freeport-Pownal	145	6.1%
Harpswell	Casco	7	0.3%
Harpswell	Yarmouth to Scarborough	195	8.2%
Harpswell	Augusta	69	2.9%
Harpswell	Wiscasset to Camden	36	1.5%
Total		2,392	100.0%

Source: 1990 U.S. Census

**Figure 23. Where People are Traveling From to Work in Harpswell, 1990**

Place of Residence	Place of Work	Number of Commuters	% of Total
Harpswell	Harpswell	628	83.5%
Bath-Brunswick Area	Harpswell	80	10.6%
Lewiston-Auburn Area	Harpswell	24	3.2%
Rumford-Strong Area	Harpswell	8	1.1%
South Portland	Harpswell	10	1.3%
Newcastle	Harpswell	2	0.3%
Total		752	100.0%

Source: 1990 U.S. Census

In summary, housing prices are very high in Harpswell, in part due to competition in the market from out-of-state buyers. Two in five renters, and one in five owners, in Harpswell pay over a third of their incomes for housing costs. The cost of housing makes it difficult for young families to buy a first home here. The proportion of households under 44 years of age has gone from 43% in 1990 to 32% in 2000, and is projected to be 28% in 2007.

Also, household population has increased over the years, but more importantly is the increase in the number of households. As average household size continues to decline the demand for houses to shelter a given population increases. In 1990, 458 households were occupied by one-person by 2000 one-person households increased to 639, a 40% increase. All these factors have contributed to making Harpswell the town it is today and may do so in the future.

## Appendix A

### Resources

<b>Program Name</b>	Genesis Community Loan Fund	Maine's Community Development Block Grant Housing Assistance Grant Program	Maine Housing Investment Fund
<b>Description</b>	Housing for Maine people who have limited opportunity to better their own lives	For activities directly related to assisting or creating residential housing units	Provides financing for affordable rental developments receiving the federal Low Income Housing Tax Credit in Maine
<b>Eligible Applicants</b>	Maine nonprofit organizations and some for-profit businesses	Municipalities	Developer
<b>Type of Housing</b>	Any	Any	Affordable Rental Developments
<b>Type of Assistance</b>	Low interest loans	Grant	Loan
<b>Finance Terms</b>	10% of total revolving fund capital, 3 months to 15 years	Up to \$400,000	Equity Investment
<b>Households Served</b>	Very low income	Low to moderate income	Low income
<b>Agency</b>	Genesis Community Loan Fund	Maine DECD	Maine Housing Investment Fund
<b>Contact Information</b>	P.O. Box 609 Damariscotta, ME 04543 (207) 563-6073 <a href="http://www.genesisfund.org">www.genesisfund.org</a>	59 State House Station 111 Sewall St. Augusta, ME 04333 (207) 624-7484 <a href="http://www.meocd.org">www.meocd.org</a>	138 Middle St. Portland, ME 04101 (207) 772-8255 <a href="http://www.housinginvestmentfund.org">www.housinginvestmentfund.org</a>

<b>Program Name</b>	The Maine Housing Technical Assistance Consortium	Housing Loan Fund	Lease-Purchase Program
<b>Description</b>	Consultant works with a group on program design and implementation, etc.	Short-term financing for affordable housing development	Home purchase
<b>Eligible Applicants</b>	Any organization or community wanting to develop affordable housing	Any organization or community wanting to develop affordable housing	Individuals and Families
<b>Type of Housing</b>	Any	Any	Single family
<b>Type of Assistance</b>	Grant	Loan	Loan
<b>Finance Terms</b>		\$50,000 - \$150,000	
<b>Households Served</b>	Very low to low income, First-time homebuyers	Low income	Low to moderate income
<b>Agency</b>	Coastal Enterprises, Inc.	Coastal Enterprises, Inc.	Coastal Enterprises, Inc.
<b>Contact Information</b>	Cyndy Carney P.O. Box 268 Wiscasset, ME 04578 (207) 882-7552 <a href="http://www.ceimaine.org/housing">www.ceimaine.org/housing</a>	Howard Dupee P.O. Box 268 Wiscasset, ME 04578 (207) 882-7552 <a href="http://www.ceimaine.org/housing">www.ceimaine.org/housing</a>	Elaine Senderlund P.O. Box 268 Wiscasset, ME 04578 (207) 882-7552 <a href="http://www.ceimaine.org/housing">www.ceimaine.org/housing</a>

<b>Program Name</b>	First Time Homebuyer Program	Rural Development 502 Direct Single Family Housing Program	Rural Development Repair Program 504 Direct Loan Program
<b>Description</b>	Home Purchase	Home Purchase	Home Repair
<b>Eligible Applicants</b>	Individuals and Families	Individuals and Families	Individuals and Families Homeowners
<b>Type of Housing</b>	Single-family, mobile, condominium, and owner-occupied	Single-family	Single-family homes owned by occupant
<b>Type of Assistance</b>	Loan	Loan	Loan
<b>Finance Terms</b>	Varies, interest lower than conventional	Up to 100% of value financing	1% interest rate, maximum term of 20 years
<b>Households Served</b>	Low to moderate income	Very low to low income	Very low to low income
<b>Agency</b>	Maine State Housing Authority	United States Department of Agriculture	United States Department of Agriculture
<b>Contact Information</b>	353 Water Street Augusta, ME 04330-4633 1-800-452-4668 <a href="http://www.mainehousing.org">www.mainehousing.org</a>	254 Goddard Road P.O. Box 1938 Lewiston, ME 04241-1938 (207) 753-9400 <a href="http://www.rurdev.usda.gov/me">www.rurdev.usda.gov/me</a>	254 Goddard Road P.O. Box 1938 Lewiston, ME 04241-1938 (207) 753-9400 <a href="http://www.rurdev.usda.gov/me">www.rurdev.usda.gov/me</a>



<b>Program Name</b>	Rural Development Repair Program 504 Direct Grant Program	Home Rehabilitation Program	Weatherization and Central Heating Improvement Programs
<b>Description</b>	Home repair to remove health and safety hazards or remodeling for accessibility	Home Repair	Home repair and replacement
<b>Eligible Applicants</b>	Homeowners 62 years old & older that	Homeowners in Cumberland, Knox, Hancock, and Washington County	Homeowners and renters
<b>Type of Housing</b>	Single-family homes owned by occupant	Single-family homes owned by occupant	Any
<b>Type of Assistance</b>	Grant, not to exceed \$7,500	Loan	Grant
<b>Finance Terms</b>		Maximum of \$15,000, 1% interest	
<b>Households Served</b>	Very low to low income	Very low to low income	Low income
<b>Agency</b>	United States Department of Agriculture	Nearest Community Action Program	Nearest Community Action Program
<b>Contact Information</b>	254 Goddard Road P.O. Box 1938 Lewiston, ME 04241-1938 (207) 753-9400 <a href="http://www.rurdev.usda.gov/me">www.rurdev.usda.gov/me</a>	<a href="http://www.mainehousing.org">www.mainehousing.org</a>	<a href="http://www.mainehousing.org">www.mainehousing.org</a>

<b>Program Name</b>	Rural Development Apartment Housing Program 515 Direct Loans	Homeownership Courses
<b>Description</b>	Build or repair apartment housing	Homeownership education for a minimum of 10 hours
<b>Eligible Applicants</b>	Developers	Anyone
<b>Type of Housing</b>	Multi-family housing	
<b>Type of Assistance</b>	Loan	
<b>Finance Terms</b>	30 year loan, 1% Rent subsidy	
<b>Households Served</b>	Very low, low to moderate income	All households interested in owning a home, most classes are free
<b>Agency</b>	United States Department of Agriculture	hoMEworks
<b>Contact Information</b>	254 Goddard Road P.O. Box 1938 Lewiston, ME 04241-1938 (207) 753-9400 <a href="http://www.rurdev.usda.gov/me">www.rurdev.usda.gov/me</a>	P.O. Box 2351 Augusta, ME 04330 (207) 626-4670 <a href="http://www.mainehomeworks.org">www.mainehome works.org</a>

### **Other Housing Resources:**

Affordable Housing Design Advisor - [www.designadvisor.org](http://www.designadvisor.org)

Federal Housing Finance Programs - Federal Home Loan Bank of Boston – [www.fhfb.gov/index.htm](http://www.fhfb.gov/index.htm)

Center for Community Change – [www.communitychange.org](http://www.communitychange.org)

The Housing Partnership Network – [www.nahp.net](http://www.nahp.net)

The Enterprise Foundation – [www.enterprisefoundation.org/](http://www.enterprisefoundation.org/)

National Housing Trust – [www.nhtinc.org/](http://www.nhtinc.org/)

Local Initiatives Support Corporation – [www.liscnet.org](http://www.liscnet.org)

U.S. Department of Housing and Urban Development – information on reverse mortgages - [www.hud.gov/offices/hsg/sfh/hecm/rmtopten.cfm](http://www.hud.gov/offices/hsg/sfh/hecm/rmtopten.cfm)

**Data Resources:**

Claritas, Inc. – [www.claritas.com](http://www.claritas.com)

Harpswell Planning Department, Mountain Road, P.O. Box 39, 263, Harpswell, Maine 04079, (207) 833-5771

Maine State Housing Authority, 353 Water Street, Augusta, Maine 04330-4633, 1-800-452-4668

U.S. Census Bureau – American FactFinder – [www.census.gov](http://www.census.gov)